

State of Alaska FY2006 Governor's Operating Budget

Dept. of Commerce, Community, and Economic Dev. Administrative Services Component Budget Summary

Component: Administrative Services

Contribution to Department's Mission

The mission of the Division of Administrative Services is to provide support to the Department.

Core Services

- Budget Planning, Monitoring, and Reporting
- Financial Support Services
- Procurement and Office Space Management
- Information Technology
- Publications

End Results	Strategies to Achieve Results
<p>A: Ensure program expenditures, revenues, and reporting meet all Federal and State requirements</p> <p><u>Target #1:</u> Zero audit recommendations in the statewide fiscal and compliance audit. <u>Measure #1:</u> Number of audit recommendations.</p> <p><u>Target #2:</u> Zero questioned costs returned to federal government. <u>Measure #2:</u> Amount of questioned costs returned to federal government.</p>	<p>A1: Anticipate and project all revenues and expenditures accurately for the Department.</p> <p><u>Target #1:</u> Number of agencies requiring a supplemental budget increase. <u>Measure #1:</u> Zero agencies requiring a supplemental budget increase.</p> <p>A2: Pay vendors promptly and accurately to avoid late penalties.</p> <p><u>Target #1:</u> Zero late penalties and interest charges. <u>Measure #1:</u> Amount of late penalties and interest charges.</p> <p>A3: Comply with procurement requirements to avoid procurement protests by potential contractors and vendors.</p> <p><u>Target #1:</u> Zero procurement protests that elevate to a hearing and are found in favor of the protester. <u>Measure #1:</u> Percentage of procurement protests elevated to a hearing and found in favor of the protester.</p>

Major Activities to Advance Strategies

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|---|--|
| <ul style="list-style-type: none"> • Budget Preparation and Monitoring • Office Space Management • Maintain Effective Security of Department Data • Procurement | <ul style="list-style-type: none"> • Legislative Hearing Support and Testimony • Develop and Support E-Commerce Applications • Appropriation, Fund and Cost Accounting • Maintain Computer Network |
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FY2006 Resources Allocated to Achieve Results

FY2006 Component Budget: \$2,554,500	Personnel:	
	Full time	31
	Part time	0
	Total	31

Performance Measure Detail

A: Result - Ensure program expenditures, revenues, and reporting meet all Federal and State requirements

Target #1: Zero audit recommendations in the statewide fiscal and compliance audit.

Measure #1: Number of audit recommendations.

Number of Audit Recommendations

Year	YTD
2003	3

Analysis of results and challenges: Department of Commerce, Community and Economic Development's component unit Alaska Aerospace Development Corporation had three audit recommendations in fiscal year 2003 for timely and accurately reporting with no questioned costs.

Target #2: Zero questioned costs returned to federal government.

Measure #2: Amount of questioned costs returned to federal government.

Amount of Questioned Costs Returned to Federal Government

Fiscal Year	YTD
FY2003	0

A1: Strategy - Anticipate and project all revenues and expenditures accurately for the Department.

Target #1: Number of agencies requiring a supplemental budget increase.

Measure #1: Zero agencies requiring a supplemental budget increase.

Number of Agencies Requiring a Supplemental Budget Increase

Fiscal Year	YTD
FY2004	1

Analysis of results and challenges: One of thirteen agencies required a supplemental budget increase in fiscal year 2004.

A2: Strategy - Pay vendors promptly and accurately to avoid late penalties.

Target #1: Zero late penalties and interest charges.

Measure #1: Amount of late penalties and interest charges.

Amount of Late Penalties and Interest Charges

Fiscal Year	YTD
FY2004	\$1,300

Analysis of results and challenges: There was \$1,300 in late penalties and interest charges out of a total of \$46,864,380 in travel, contractual, and commodities and equipment payments in fiscal year 2004.

A3: Strategy - Comply with procurement requirements to avoid procurement protests by potential contractors and vendors.

Target #1: Zero procurement protests that elevate to a hearing and are found in favor of the protester.

Measure #1: Percentage of procurement protests elevated to a hearing and found in favor of the protester.

Percentage of Procurement Protests Elevated to a Hearing & Found in Favor of Protestor

Fiscal Year	YTD
FY2004	0

Key Component Challenges

Implementation of revenue receipting practices that address the numerous ways the Department is now receiving revenue. In fiscal year 2004, \$197 million was transmitted to the Department six different ways. The division is continuing to work on implementing procedures to allow timely posting of the revenue and provide cash controls.

Statewide governance for Information Technology (IT) planning has resulted in new practices and standards. Aligning the Department's IT efforts to the new process is a two to three year project. Reorganization of IT to allow greater flexibility when assigning and prioritizing IT projects will be under review. This becomes increasingly important with the increasing focus on e-commerce, data security, increasing use of technology, and the training of users in these systems.

Updating of the Administrative Cost Allocation Plan (ACAP). An updated allocation using fiscal year 2005 proposed expenses is necessary to reflect the organizational changes made to the department in fiscal years 2004 and 2005.

Continued delivery of necessary services while replacing four retiring IT staff that have long term knowledge of both the systems and the business requirements for those systems.

Significant Changes in Results to be Delivered in FY2006

Implementation of the Re-Engineering of the Insurance Business Process will be underway in FY06. This is the second year of the estimated three year process.

Implementation of a document imaging system for the Division of Insurance.

Migration to current state technology standards will be completed during FY06. Before the end of FY06 the department should be compliant with all the enterprise standards.

Implementation of a project management methodology for system development

Major Component Accomplishments in 2004

Continued improvement in the Department's information technology security profile. Staff responded within an hour of notification of a machine infected with a virus and critical operating system patches are always installed within the state's 10-day requirement, many times within half that time.

Implemented the Web Standards as required by Administrative Order No. 208 and required changes to many of the web pages within the department.

Implementation and continued management of the financial aspect of major new federally funded programs such as the \$35 million Fisheries Revitalization Strategy, \$15.0 million Rural Broadband Internet program, and \$18.0 one-time Tax Relief program with existing staff

Statutory and Regulatory Authority

AS 44.33.010-020 Administrative Services

Contact Information

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Administrative Services Component Financial Summary

All dollars shown in thousands

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,720.1	1,961.1	2,044.0
72000 Travel	13.5	17.5	17.5
73000 Services	414.7	472.2	463.2
74000 Commodities	50.7	28.1	28.1
75000 Capital Outlay	54.0	1.7	1.7
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	2,253.0	2,480.6	2,554.5
Funding Sources:			
1004 General Fund Receipts	862.0	937.5	973.8
1007 Inter-Agency Receipts	1,391.0	1,543.1	1,580.7
Funding Totals	2,253.0	2,480.6	2,554.5

Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	84.4	0.0	0.0
Unrestricted Total		84.4	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	1,391.0	1,543.1	1,580.7
Restricted Total		1,391.0	1,543.1	1,580.7
Total Estimated Revenues		1,475.4	1,543.1	1,580.7

**Summary of Component Budget Changes
From FY2005 Management Plan to FY2006 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2005 Management Plan	937.5	0.0	1,543.1	2,480.6
Adjustments which will continue current level of service:				
-FY 05 Bargaining Unit Contract Terms: GGU	6.6	0.0	8.0	14.6
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	24.3	0.0	29.6	53.9
Proposed budget increases:				
-Human Resources Consolidation Increased Costs	5.4	0.0	0.0	5.4
FY2006 Governor	973.8	0.0	1,580.7	2,554.5

Administrative Services Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2005</u> <u>Management</u> <u>Plan</u>	<u>FY2006</u> <u>Governor</u>		
Full-time	31	31	Annual Salaries	1,487,920
Part-time	0	0	COLA	19,635
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	742,107
			<i>Less 5.93% Vacancy Factor</i>	(133,362)
			Lump Sum Premium Pay	0
Totals	31	31	Total Personal Services	2,116,300

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	2	0	2
Accountant IV	0	0	1	0	1
Accountant V	0	0	1	0	1
Accounting Clerk II	0	0	1	0	1
Accounting Tech I	1	0	2	0	3
Accounting Tech II	0	0	1	0	1
Accounting Tech III	0	0	3	0	3
Administrative Assistant	0	0	1	0	1
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	0	0	1	0	1
Analyst/Programmer IV	0	0	1	0	1
Data Processing Mgr III	0	0	1	0	1
Division Director	0	0	1	0	1
Micro/Network Spec I	1	0	1	0	2
Micro/Network Tech II	2	0	1	0	3
Procurement Spec I	0	0	1	0	1
Procurement Spec II	0	0	1	0	1
Procurement Spec IV	0	0	1	0	1
Publications Spec I	0	0	1	0	1
Publications Spec II	0	0	1	0	1
Supply Technician I	0	0	1	0	1
Supply Technician II	0	0	1	0	1
Systems Programmer III	0	0	1	0	1
Totals	5	0	26	0	31